

- Sec.
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- 79z-6. Separability clause.

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 77ccc, 77hhh, 77jjj, 77kkk, 77www, 77zzz, 78c, 80a-2, 80a-3, 80a-37, 80a-49, 80b-2 of this title; title 7 section 12a; title 16 sections 824, 824a-3, 824e, 825d, 825q, 839f; title 29 sections 306, 432; title 42 section 7651b.

§ 79. Short title of chapter

This chapter may be cited as the “Public Utility Holding Company Act of 1935”.

(Aug. 26, 1935, ch. 687, title I, § 36, formerly § 33, 49 Stat. 838; renumbered § 35, Pub. L. 102-486, title VII, § 711, Oct. 24, 1992, 106 Stat. 2905; renumbered § 36, Pub. L. 104-104, title I, § 103, Feb. 8, 1996, 110 Stat. 81.)

STATE AUTHORITIES; CONSTRUCTION

Section 731 of title VII of Pub. L. 102-486 provided that: “Nothing in this title [enacting sections 79z-5a and 79z-5b of this title and sections 824l, 824m, and 825o-1 of Title 16, Conservation, amending sections 796, 824, 824j, 824k, 825n, 825o, and 2621 of Title 16, and amending provisions set out as a note under section 79k of this title] or in any amendment made by this title shall be construed as affecting or intending to affect, or in any way to interfere with, the authority of any State or local government relating to environmental protection or the siting of facilities.”

§ 79a. Necessity for control of holding companies

(a) Interstate nature of holding companies

Public-utility holding companies and their subsidiary companies are affected with a national public interest in that, among other things, (1) their securities are widely marketed and distributed by means of the mails and instrumentalities of interstate commerce and are sold to a large number of investors in different States; (2) their service, sales, construction, and other contracts and arrangements are often made and performed by means of the mails and instrumentalities of interstate commerce; (3) their subsidiary public-utility companies often sell and transport gas and electric energy by the use of means and instrumentalities of interstate commerce; (4) their practices in respect of and control over subsidiary companies often materially affect the interstate commerce in which those companies engage; (5) their activities extending over many States are not susceptible of effective control by any State and make difficult, if not impossible, effective State regulation of public-utility companies.

(b) Protection of investors and interests of consumers

Upon the basis of facts disclosed by the reports of the Federal Trade Commission made pursuant to S. Res. 83 (Seventieth Congress, first session), the reports of the Committee on Interstate and Foreign Commerce, House of Representatives, made pursuant to H. Res. 59 (Seventy-second Congress, first session) and H. J. Res. 572 (Seventy-second Congress, second session) and otherwise disclosed and ascertained, it is declared that the national public interest, the interest of investors in the securities of holding companies and their subsidiary companies and affiliates, and the interest of consumers of electric energy and natural and manufactured gas, are or may be adversely affected—

(1) when such investors cannot obtain the information necessary to appraise the financial position or earning power of the issuers, because of the absence of uniform standard accounts; when such securities are issued without the approval or consent of the States having jurisdiction over subsidiary public-utility companies; when such securities are issued upon the basis of fictitious or unsound asset values having no fair relation to the sums invested in or the earning capacity of the properties and upon the basis of paper profits from intercompany transactions, or in anticipation of excessive revenues from subsidiary public-utility companies; when such securities are issued by a subsidiary public-utility company under circumstances which subject such com-